



NARC

Building Regional Communities

Trends and Opportunities

IL DOT Fall Planning Conference

Fred Abousleman

Executive Director

National Association of Regional Councils



NARC

Building Regional Communities

Our Premise

- **Thanks to our IL partners – DOT and MPOs**
- **Our speakers and panel**
- **Infrastructure is key**
- **Redefining the region and the regional economy is key**



NARC

Building Regional Communities

The Current Economic Crisis

- Massive infusion of public capital into the economy
 - close to one trillion dollars
- Sweeping **commercial** and personal default
 - Add \$225,000 to every foreclosure for true economic effect
- Is slowing investment and innovation
- The premise that the private sector would assist the public in development and infrastructure is now false for the foreseeable future



NARC

Building Regional Communities

State of the Nation

- US economic conditions is hitting everything – federal, state and local budgets are under constraints and cuts.
- ASCE has given our nation's public infrastructure a *D*, estimating that it will cost **\$2.2T** over the next five years just to repair current infrastructure
- More than **72,000 miles** of municipal water and sewer pipe are more than **80 years old**, threatening the public health and economies of communities large and small
- Japan, China, India, and the EU are investing much more in infrastructure



NARC

Building Regional Communities

The Nation

- The U.S. spends **less than 1% of GDP** on infrastructure
 - China spends 9%
 - India spends 3.5%
- Federal infrastructure spending accounted for 10% or more of the budget from 1959 -1966
- TODAY, federal spending on infrastructure is approx. 3% of total federal budget
- CBO estimates \$1.7T deficit (11.9% of GDP) this year
- States and localities account for around **75% of total infrastructure spending**



NARC

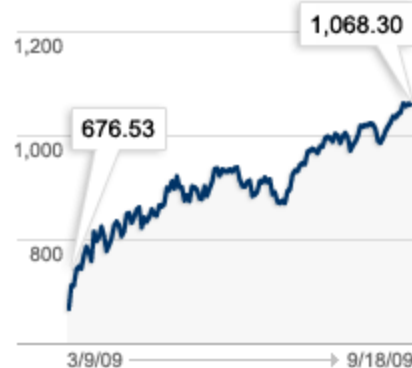
Building Regional Communities

The Nation

- Things looking up in the economy
- Housing Starts are up
- S&P up

The S&P 500 since the March lows

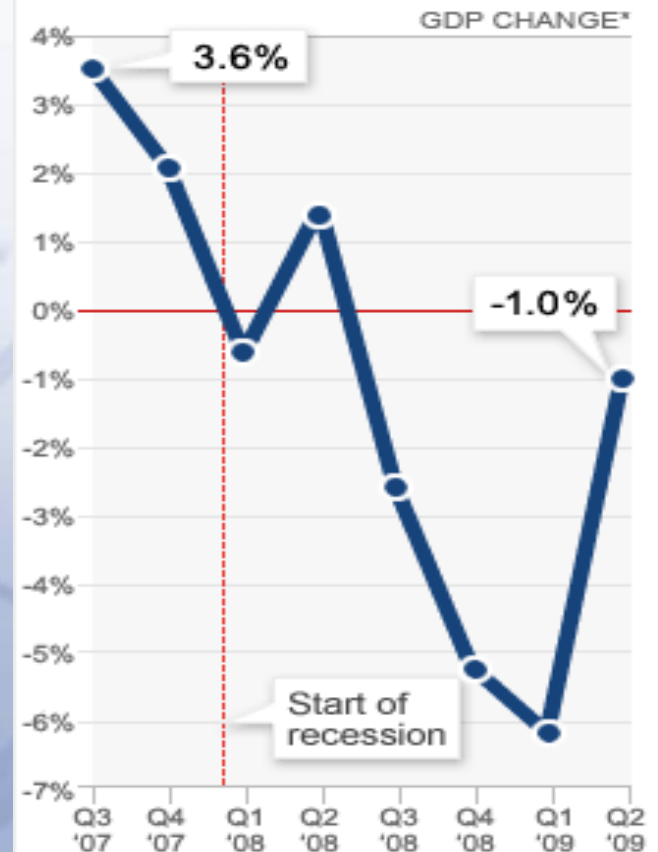
The broad index has gained 58% since bottoming at a 12-year low.



SOURCE: REAL TICK

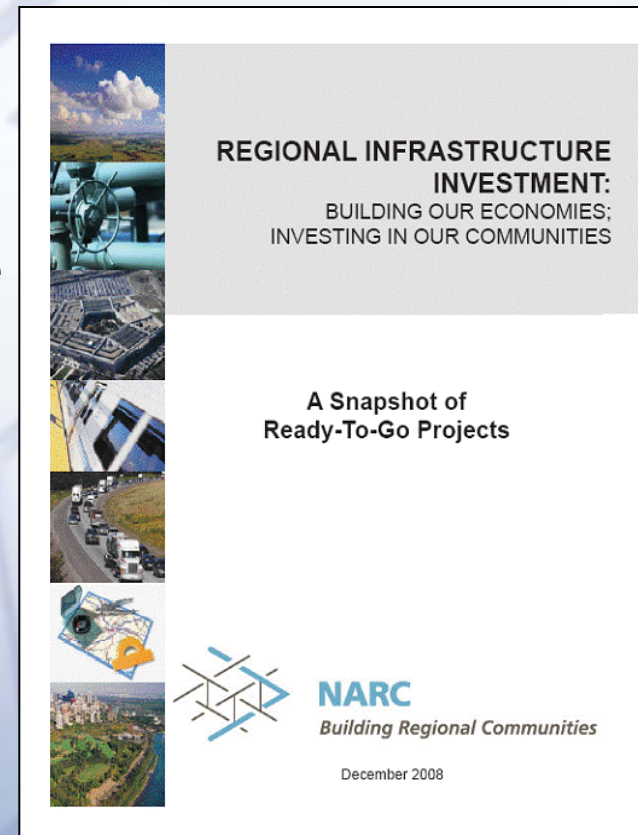
Signs of recovery

Economic activity still fell in the second quarter, but there is a growing belief among economists that the recession recently ended, or is about to.



Second Stimulus NARC Report

NARC released, *Regional Infrastructure Investment: Building Our Economies; Investing in Our Communities*, providing a **snapshot** of potential investment on the regional level. NARC identified **\$23 billion+** worth of “ready-to-go” projects that could be contracted out within 180 days.



**NARC***Building Regional Communities*

ARRA Spending to Date

Rank	State	Funds Announced	Funds Available	Funds Paid Out
1	California	\$26,275,604,781	\$27,267,958,170	\$15,208,373,904
2	New York	\$18,309,162,504	\$18,151,457,630	\$7,727,825,399
3	Texas	\$17,032,723,087	\$14,163,432,504	\$4,980,927,858
4	Florida	\$11,962,082,705	\$11,301,508,807	\$4,353,783,475
5	Illinois	\$10,752,295,016	\$9,385,427,373	\$4,991,307,939

AGENCY REPORTED

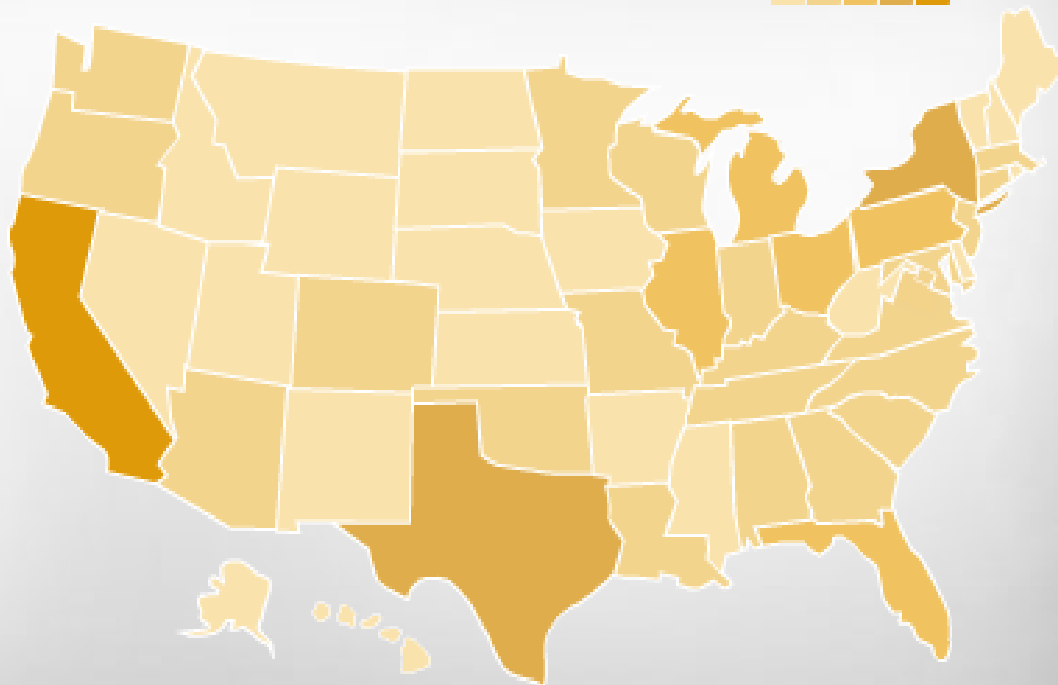
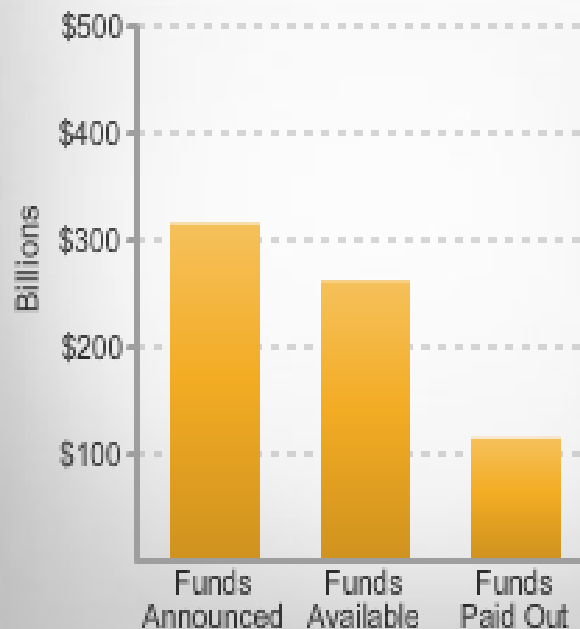
RECIPIENT REPORTED

Based on Funds Available

\$0 \$27 B

U.S. TOTAL

for contracts, grants, loans and entitlements



Roll over graph and map to see Recovery data.
Click on any state for more data.

Updated: 10/07/2009

Territories



NARC

Building Regional Communities

Climate Change

- **Administration/Congressional Priority**
- **Unclear if there will be money for infrastructure – NARC closely working with Senate**
- **Senate working on providing transportation planning and transit and performance grant funding**
- **Performance grant funding would be more project-based and could be suballocated to local governments**
- **Mayors pushing for EECSBG funding**
 - **To develop and implement projects to improve energy efficiency and reduce energy use and fossil fuel emissions in their communities**



NARC

Building Regional Communities

Climate Change

- **HR 2454 – Waxman Markey**
- **S 1733 – Boxer Kerry**
- **Very little \$\$ for transportation**
- **House (passed in June) = strict mandates**
- **Senate (working to get votes) = more flexibility**
- **Senate EPW Committee work on in October**
- **Obama Admin. to show US progress in December – Copenhagen Climate Meeting**
- **Unlikely full climate bill will move in 2009**



NARC

Building Regional Communities

Climate Change

- **NARC's *Climate Change Framework* focuses on incentive-based alternative to GHGs in transportation planning**
- **Many meetings with Senate EPW Staff**
- **Great progress from House bill→CLEAN-Tea bill→S 1733**
- **NARC continues to work with Senate on S1733:**
 - **Include transportation funding for new requirements**
 - **Two funding pots = transportation planning and implementation (local governments eligible grantees)**
 - **DOT lead agency (coordinates with EPA)**
 - **VMT is a potential strategy, not national goal**
 - **Flexibility in strategies to reduce GHGs**
 - **Maintain local land use authority**
 - **Prevents all lawsuits on plan or outcome**
 - **Eliminate any decertification language**
 - **Require multi-regional coordination**
 - **Allow credit for previously developed plans**





NARC

Building Regional Communities

Livability

- **S1619 – NARC & Senate Banking Committee –reinvigorating comprehensive regional planning**
 - Opportunities for planning and implementation \$ through HUD
 - Streamlines processes and connects federal agencies and programs
 - Coordinates strategic regional transportation, economic, environmental, land use and housing
 - Urban and Rural – includes definition for RPOs and makes them eligible for funding
 - May be combined into other legislative vehicle, i.e. transportation authorization, etc. – will take time to move
- **FY10 T-HUD appropriations will have some funding (\$150M)**
- **NARC *Livability Framework* – @ www.narc.org**



NARC

Building Regional Communities

Transportation

- **Envisions a shift in state and local responsibilities**
 - **House Released Bill (\$500 billion)**
 - **Senate still working**
- **New roles/responsibilities for MPOs, RPOs, States**
- **HTF insolvent – recent transfer of General Fund \$**
- **No clear agreement on funding/financing**
 - **Ways and Means & Finance Committees focused on healthcare**
 - **Gas tax increase only short term solution – politically unfeasible; Congressional elections in 2010**
 - **Must score positively**
- **Oberstar vs. Senate and Obama Administration**
 - **House passed three month extension**
 - **Senate 18-month extension in the works**
 - **Now running on CR**
 - **Some estimate short-term extensions up to 2 years total**
- **No new funding in sight – timely, complicated process**
- **Rescissions confuse process**
 - **Taking money back**
 - **Conflicts with ARRA**



NARC

Building Regional Communities

Transportation

- **Streamlining**
 - **Processes**
 - **Project Delivery**
 - **Programs**
- **New environmental requirements**
- **New governance requirements**
- **Restructuring of the MPO size**



NARC

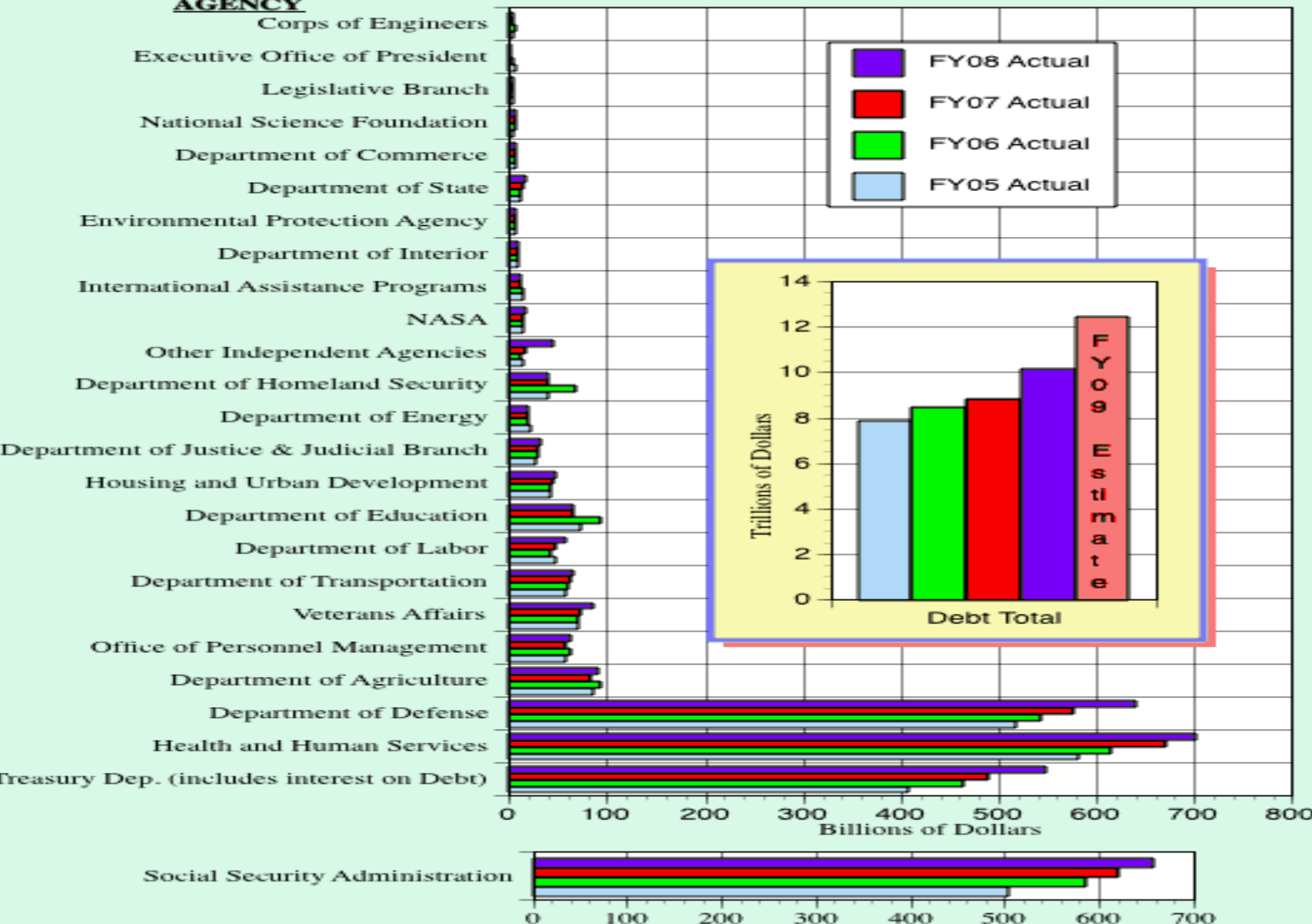
Building Regional Communities

Politics 2010

- **Momentum into mid-term elections**
 - D's need to keep seats
 - R's need to take seats
- **Surface Transportation Bill**
 - Emerged from the House
 - Unlikely from the Senate
 - Does have policy recommendations
 - Does not have revenue attached
 - Is a contest over climate change and traditional transportation
- **Health Care**
- **Climate Change**
 - Cap and Trade versus tax
 - Looming in Congress and Administration
 - May stall other legislation
- **More stimulus spending?**
 - ARRA 2?

HOW CONGRESS SPENDS YOUR MONEY

AGENCY





NARC

Building Regional Communities

Your strategy

- **Develop a IL consensus position built around your elected officials**
 - **Representing IL DOT, MPOs, RPOs**
 - **With input from League of Cities, Counties, Mayors, Chambers, Planners, etc..**
 - **Pound the message home**



NARC

Building Regional Communities

NARC

- **Multiple regional meetings**
- **Committee meetings**
- **Spectrum of ideas**
 - **Devolution – stronger federal program**
- **Innovation – Empowerment – Streamlining - Consistency**
- **We support a regional revolution**



NARC

Building Regional Communities

NARC Programs

Community and Economic Development	Environment	Transportation
EDA	Water	Highway
Housing	Air Quality	Transit
Aging	Brownfields	Rail
Base Realignment	Climate Change	Aviation
Workforce	Energy	Maritime
Homeland Security/Public Safety – Planning and Evacuation Management, 911, Communications		